

# **Exhibit M**

CAUSE NO. 2011-27796

VITALIY GODLEVSKY,

Plaintiff,

v.

SXP ANALYTICS LLC, and  
EMMANUEL M. MAMALAKIS,

Defendants.

IN THE DISTRICT COURT

OF HARRIS COUNTY, TEXAS

133 JUDICIAL DISTRICT

AFFIDAVIT OF ANDREW KARRELS

State of Wisconsin )  
                                  : SS  
County                  )

Andrew Karrels makes this affidavit based on personal knowledge and information, being first duly sworn on oath, deposes and states that:

1. My name is Andrew Karrels. I am currently employed by SXP Analytics LLC ("SXP"), located at 2266 North Prospect Avenue, Suite 608, Milwaukee, Wisconsin, 53202, as its Director of Trading Operations.

2. SXP is a high-frequency trading firm that employs a proprietary, mathematical, model-based trading strategy to trade on all the major equity stock exchanges in the United States.

3. SXP employs quantitative finance mathematicians and computer programming experts so that its trading is automated and run by a computer program, with minimal human intervention during trading activity.



4. This type of high frequency trading strategy seeks to make miniscule profits on thousands of securities trades per day. These thousands of trades entail millions of shares traded each day. One key to the success of any high frequency trading firm, including SXP, is the speed with which its computer software can identify trading opportunities and execute trades.

5. Penson Financial Services, Inc. ("Penson") is SXP's clearing broker through which SXP's trades are settled. The amount of data for each day of trading is significant, and the trading data sought by the subpoena issued to Penson for records of "all trade and trade-related information" since SXP began trading approximately three years ago would be staggering.

6. Penson reports of each days trading activity and profit and loss details are approximately 3,500 pages of information. Thus, based on approximately 252 trading days per year over three years, the amount of information I estimate would be about 2.6 million pages when printed.

7. This trading information is SXP's confidential business information and reflects the output of its proprietary trading system. Public disclosure of this information would harm SXP's business and has the potential to reveal the details of its proprietary trading system such that Mr. Godlevsky or another person or entity could use the information to compete with and usurp trading opportunities identified by SXP.

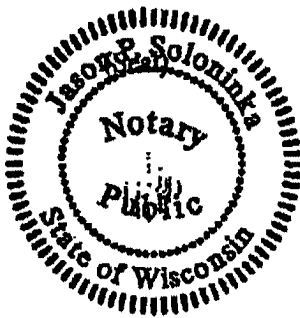
8. In addition, the requested information from Penson about SXP's account balances, equity, margin, or other buying power information could also


enable an entity to gain knowledge into SXP's trading capabilities on the markets on which SXP trades.

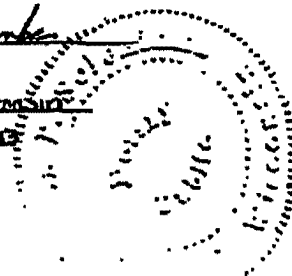
9. This information is among the most sensitive business information SXP possesses, and public disclosure of this information would harm SXP substantially.

  
\_\_\_\_\_  
Andrew Karrels

Subscribed and sworn this 30 day of September, 2011, by Andrew Karrels.



  
\_\_\_\_\_  
Jason P. Soloninka  
Notary Public, State of Wisconsin  
My commission March 11, 2013



Unofficial Copy Office of Chief District Clerk